

June 2008

08P-05

Performance Audit Summary

Program and Policy Issues Impacting State Superfund Operations

Realigning statutory responsibilities and funding mechanisms would assist the Department of Environmental Quality in meeting its statutory mandates for remediating state superfund sites.

Introduction

Montana's state superfund program was created in 1985 for the purpose of addressing sites contaminated with hazardous or deleterious substances which were not being

current funding source earmarked for a select group of responsible parties which is accessed by few. Redirecting this funding source would afford the department the opportunities to begin remediating those sites with unwilling or nonviable responsible parties – some of which are maximum and high priority sites and present potential harm to the public health and welfare of Montana citizens.

Analysis showed the department could improve long-term planning in order to strategically address cleanup needed at the state's superfund sites. The department could also improve its process for recovering state oversight costs from responsible parties. Lastly, the department could improve the submission and approval process of its voluntary cleanup program.

State Superfund Priority List As of March 24, 2008

Facility Priority Ranking	Threat Level	Number of Facilities
Maximum	Immediate	6
High	Significant	51
Medium	Potential	75
Low	Minimal	53
Operation and Maintenance	Not Applicable	1
Referred to Other Program	Not Applicable	18
No Further Action	Not Applicable	5
Total		209

Source: Compiled by the Legislative Audit Division from department records.

addressed by federal superfund activities. The Department of Environmental Quality is responsible for overseeing investigation and cleanup activities at state superfund sites. There are 209 state superfund sites with 57 ranked as maximum or high priority.

Audit Findings

Analysis of state superfund operations shows a disconnect between funding and statutory obligations. Current funding allows the department to address only those state superfund sites where responsible parties are willing, available and financially able to do remediation work and reimburse the department for oversight costs. There is a

Audit Recommendations

Audit recommendations address the need for improving controls over general program operations, policy issues impacting program success, and procedural changes to improve remediation planning. Audit recommendations relate to:

- ♦ Implementing long-term planning and establishing additional priorities.
- ♦ Improving controls over department efforts to recover costs it incurs in overseeing remediation.
- ♦ Addressing funding issues and conflicting statutory mandates by redirecting underutilized financial resources.

(continued on back)

- ♦ Refocusing department efforts from allocating liability to enforcement and cleanup.
- ♦ Adopting additional application process strategies to improve voluntary cleanup program operations and funding.

Some of these recommendations involve seeking legislative changes to address funding issues and provide enhanced capabilities to manage remediation work.

For a complete copy of the report (08P-05) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>

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2009 Session

Exhibit 3

This exhibit is a booklet and it cannot be scanned therefore only the cover and table of content has been scanned to aid you in your research. The original exhibit is on file at the Montana Historical Society and may be viewed there.

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A REPORT
TO THE
MONTANA
LEGISLATURE

PERFORMANCE AUDIT

Program and Policy Issues Impacting State Superfund Operations

***Department of
Environmental Quality***

JUNE 2008

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DIVISION

08P-05

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Performance audits conducted by the Legislative Audit Division are designed to assess state government operations. From the audit work, a determination is made as to whether agencies and programs are accomplishing their purposes, and whether they can do so with greater efficiency and economy. The audit work is conducted in accordance with audit standards set forth by the United States Government Accountability Office.

Members of the performance audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration, mathematics, statistics, economics, finance, political science, english, criminal justice, computer science, education, and biology.

Performance audits are performed at the request of the Legislative Audit Committee which is a bicameral and bipartisan standing committee of the Montana Legislature. The committee consists of six members of the Senate and six members of the House of Representatives.

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James Gillett
Angie Grove

June 2008

The Legislative Audit Committee
of the Montana State Legislature:

This is our performance audit of the State Superfund Program managed by the Remediation Division at the Department of Environmental Quality. This report provides the Legislature information about state superfund operations. This report presents program and policy issues impacting state superfund operations and includes recommendations for improving operations. A written response from the Department of Environmental Quality is included at the end of the report.

We wish to express our appreciation to Department of Environmental Quality officials and staff for their cooperation and assistance throughout the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat".

Scott A. Seacat
Legislative Auditor

A handwritten signature in black ink, appearing to read "James Gillett".

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